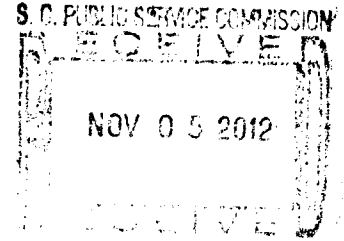




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October 29, 2012

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
PO Drawer 11649
Columbia, SC 29211

Dear Ms. Boyd:

Pursuant to Commission Order No. 2012-400, Chem-Nuclear Systems (CNS) is submitting the attached monthly report of variable cost data to the Commission. By copy of this letter we are also submitting this report to the Office of Regulatory Staff (ORS).

The enclosed preliminary monthly report of variable cost data covers the month of September 2012. This report is similar in format to information that has been provided to the ORS in support of the ORS audits of CNS' allowable costs. The monthly data will be summarized on an annual basis to develop variable cost rates that can be used as one predictor of variable costs.

Sincerely,

Michael J. Benjamin
General Manager, Disposal Operations

Enclosure

c: James Harris, EnergySolutions
Jay Jashinsky, Office of Regulatory Staff
Ashley Lancaster, Budget and Control Board
Deborah Ogilvie, EnergySolutions

Variable Costs:

Variable Labor and Non-Labor Costs for September 2012

Commission Order No. 2012-400 identified the following categories of rates for projecting Variable Labor and Non-Labor costs: vault purchase and inspection (per vault), ABC waste disposal (per shipment), slit trench operations (per slit trench offload), customer assistance (per shipment), and trench records (per container).

The following table illustrates the Variable Labor and Non-Labor costs that would be calculated using the Variable Labor and Non-Labor rates identified in Commission Order No. 2012-400 for Fiscal Year 2011-2012 and the number of units in each category:

	Units	Variable Cost Rate in Order No. 2012-400	Calculated Cost
Vault Purchase and Inspection (per vault)	8	\$81.35	\$650.80
ABC Waste Disposal (per shipment) (total shipments, less slit trench shipments, less irregular project shipments)	11	\$1,948.78	\$21,436.58
Slit Trench Operations (per slit trench offload)	0	\$29,787.46	\$0
Customer Assistance (per shipment)	11	\$47.64	\$524.04
Trench Records (per container)	14	\$130.34	\$1,824.76
Total Calculated Variable Labor and Non-Labor Costs			\$24,436.18

The actual Variable Labor and Non-Labor costs experienced during the month of September 2012 resulted in a Total Variable Labor and Non-Labor cost of \$16,910.08.

Vault Costs for September 2012

The following table illustrates the vault costs that would be calculated using Variable Cost rates identified in Commission Order No. 2012-400 for Fiscal Year 2011-2012 and the volumes of waste received in each respective category:

	Volume Buried (cubic feet)	Variable Cost Rate in Order No. 2012-400	Calculated Cost
Class A Waste	952.40	\$40.61	\$38,676.96
Class B Waste	360.90	\$42.08	\$15,186.67
Class C Waste	130.48	\$42.97	\$5,606.73
Slit Trench Waste	0	\$191.99	\$0
Irregular Components (in vaults as an irregular cost)	0	n/a	\$0
Irregular Components (not in vaults)	0	n/a	\$0
Total Calculated Vault Cost			\$59,470.36
Total Volume	1,443.78		

The total cost incurred for disposal vaults procured during September 2012 was \$17,770.56.